

Status of Resolution of Reported Frauds

December 2001

Agency: 195

Liquor Control Board

Audit Number	Finding Number
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6268	2	Finding:	Public funds were misappropriated and accounting records were falsified at State Liquor Store No. 7 in Yakima.
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Fraud Amount: \$52,195

Recovery to Date: \$16,944

Action/Status: Internal auditors for the Liquor Control Board (LCB) found public funds were misappropriated from State Liquor Store No. 7 by one or more store employees and notified the State Auditor's Office.

The Liquor Control Board will take the following corrective action:

- ☞ Review store procedures and make recommendations for improved procedures. These recommendations will include better controls over and more limited use of petty cash, a procedure to support intact daily deposits from sales, a monitoring system of daily deposits and better controls of the point-of-sale system.
- ☞ Review the reconciliation procedures and make recommendations for improvements. The Administrative Director will review the recommendations with the Board and implement approved changes.
- ☞ Enforce timely sales and deposit reporting by contract stores.

Criminal action taken: This matter was referred to the Yakima County Prosecuting Attorney for any action deemed appropriate.

Personnel action taken: Two employees were dismissed.

Amount to be recovered: To be determined pending adjudication of criminal charges.

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Audit Number	Finding Number
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6268	3	Finding:	Public funds were misappropriated and accounting records were falsified at State Liquor store No. 66 in Kent.
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Fraud Amount:	\$2,805
Recovery to Date:	\$2,805

Action/Status:	The State Auditor's Office detected this condition during an unannounced cash count.
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In addition to the corrective action steps listed previously in finding 2, the Liquor Control Board has taken the following corrective action:

- €# Issued a memorandum to all state liquor store managers that Nonsufficient Funds (NSF) fees cannot be waived for any customer.
- €# Included the subject of NSF in Liquor Control Board's Loss Prevention unit's training classes.

Criminal action taken: This matter has been referred to the King County Prosecuting Attorney for any action deemed appropriate.

Personnel action taken: The employee resigned.

Amount to be recovered: \$2,805

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